

HOUSE BILL NO. 44

INTRODUCED BY B. MCCHESENEY

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE SCHOOL BOND CONTINGENCY LOAN FUND; AMENDING SECTIONS 17-5-703 AND 17-5-704, MCA; REPEALING SECTIONS 20-9-466 AND 20-9-467, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 17-5-703, MCA, is amended to read:

"17-5-703. (Temporary) Coal severance tax trust funds. (1) The trust established under Article IX, section 5, of the Montana constitution is composed of the following funds:

- (a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal severance tax must be deposited;
- (b) a treasure state endowment fund;
- (c) a treasure state endowment regional water system fund;
- (d) a coal severance tax permanent fund;
- (e) a coal severance tax income fund;
- ~~(f) a coal severance tax school bond contingency loan fund;~~ and
- ~~(g)~~(f) a big sky economic development fund.

(2) (a) The state treasurer shall determine, on July 1 of each year, the amount necessary to meet all principal and interest payments on bonds payable from the coal severance tax bond fund during the next 12 months and retain that amount in the coal severance tax bond fund.

(b) The amount in the coal severance tax bond fund in excess of the amount required in subsection (2)(a) must be transferred from that fund as provided in subsections (3) ~~through (5)~~ and (4).

~~(3) (a) As long as any school district bonds secured by state loans under 20-9-466 are outstanding, the state treasurer shall from time to time and as provided in subsection (3)(b) transfer from the coal severance tax bond fund to the coal severance tax school bond contingency loan fund any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund.~~



1 ~~_____ (b) The state treasurer shall transfer the amount referred to in subsection (3)(a) until and unless the~~
 2 ~~balance in the coal severance tax school bond contingency loan fund is equal to the amount due as principal of~~
 3 ~~and interest on the school district bonds secured by state loans under 20-9-466 during the next following 12~~
 4 ~~months.~~

5 ~~(4)(3)~~ (a) Until June 30, 2016, the state treasurer shall quarterly transfer to the treasure state endowment
 6 fund 50% of the amount in the coal severance tax bond fund in excess of the amount that is specified in
 7 subsection (2) to be retained in the fund ~~and in excess of amounts that are transferred pursuant to subsection~~
 8 ~~(3).~~

9 (b) Until June 30, 2016, the state treasurer shall quarterly transfer to the treasure state endowment
 10 regional water system fund 25% of the amount in the coal severance tax bond fund in excess of the amount that
 11 is specified in subsection (2) to be retained in the fund ~~and in excess of amounts that are transferred pursuant~~
 12 ~~to subsection (3).~~

13 (c) The state treasurer shall monthly transfer from the treasure state endowment fund to the treasure
 14 state endowment special revenue account the amount of earnings, excluding unrealized gains and losses,
 15 required to meet the obligations of the state that are payable from the account in accordance with 90-6-710.
 16 Earnings not transferred to the treasure state endowment special revenue account must be retained in the
 17 treasure state endowment fund.

18 (d) The state treasurer shall monthly transfer from the treasure state endowment regional water system
 19 fund to the treasure state endowment regional water system special revenue account the amount of earnings,
 20 excluding unrealized gains and losses, required to meet the obligations of the state that are payable from the
 21 account for regional water systems authorized under 90-6-715. Earnings not transferred to the treasure state
 22 endowment regional water system special revenue account must be retained in the treasure state endowment
 23 regional water system fund.

24 ~~(5)(4)~~ (a) From July 1, 2005, through June 30, 2025, the state treasurer shall quarterly transfer to the
 25 big sky economic development fund 25% of the amount in the coal severance tax bond fund in excess of the
 26 amount that is specified in subsection (2) to be retained in the fund ~~and in excess of amounts that are transferred~~
 27 ~~pursuant to subsection (3).~~

28 (b) The state treasurer shall monthly transfer from the big sky economic development fund to the
 29 economic development special revenue account, provided for in 90-1-205, the amount of earnings, excluding
 30 unrealized gains and losses, required to meet the obligations of the state that are payable from the account in

1 accordance with 90-1-204. Earnings not transferred to the economic development special revenue account must
2 be retained in the big sky economic development fund.

3 ~~(6)~~(5) Any amount in the coal severance tax bond fund in excess of the amount that is specified in
4 subsection (2)(a) to be retained in the fund and that is not otherwise allocated under this section must be
5 deposited in the coal severance tax permanent fund. (Terminates June 30, 2016--sec. 1, Ch. 70, L. 2001.)

6 **17-5-703. (Effective July 1, 2016) Coal severance tax trust funds.** (1) The trust established under
7 Article IX, section 5, of the Montana constitution is composed of the following funds:

8 (a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal
9 severance tax must be deposited;

10 (b) a treasure state endowment fund;

11 (c) a coal severance tax permanent fund;

12 (d) a coal severance tax income fund;

13 ~~(e) a coal severance tax school bond contingency loan fund; and~~

14 ~~(f)~~(e) a big sky economic development fund.

15 (2) (a) The state treasurer shall determine, on July 1 of each year, the amount necessary to meet all
16 principal and interest payments on bonds payable from the coal severance tax bond fund during the next 12
17 months and retain that amount in the coal severance tax bond fund.

18 (b) The amount in the coal severance tax bond fund in excess of the amount required in subsection
19 (2)(a) must be transferred from that fund as provided in subsections (3) ~~through (5)~~ and (4).

20 ~~(3) (a) As long as any school district bonds secured by state loans under 20-9-466 are outstanding, the~~
21 ~~state treasurer shall from time to time and as provided in subsection (3)(b) transfer from the coal severance tax~~
22 ~~bond fund to the coal severance tax school bond contingency loan fund any amount in the coal severance tax~~
23 ~~bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund.~~

24 ~~_____ (b) The state treasurer shall transfer the amount referred to in subsection (3)(a) until and unless the~~
25 ~~balance in the coal severance tax school bond contingency loan fund is equal to the amount due as principal of~~
26 ~~and interest on the school district bonds secured by state loans under 20-9-466 during the next following 12~~
27 ~~months.~~

28 ~~(4)~~(3) (a) Until June 30, 2016, the state treasurer shall quarterly transfer to the treasure state endowment
29 fund 50% of the amount in the coal severance tax bond fund in excess of the amount that is specified in
30 subsection (2) to be retained in the fund ~~and in excess of amounts that are transferred pursuant to subsection~~

1 (3).

2 (b) The state treasurer shall monthly transfer from the treasure state endowment fund to the treasure
3 state endowment special revenue account the amount of earnings, excluding unrealized gains and losses,
4 required to meet the obligations of the state that are payable from the account in accordance with 90-6-710.
5 Earnings not transferred to the treasure state endowment special revenue account must be retained in the
6 treasure state endowment fund.

7 ~~(5)(4)~~ (a) From July 1, 2005, through June 30, 2025, the state treasurer shall quarterly transfer to the
8 big sky economic development fund 25% of the amount in the coal severance tax bond fund in excess of the
9 amount that is specified in subsection (2) to be retained in the fund ~~and in excess of amounts that are transferred~~
10 ~~pursuant to subsection (3).~~

11 (b) The state treasurer shall monthly transfer from the big sky economic development fund to the
12 economic development special revenue account, provided for in 90-1-205, the amount of earnings, excluding
13 unrealized gains and losses, required to meet the obligations of the state that are payable from the account in
14 accordance with 90-1-204. Earnings not transferred to the economic development special revenue account must
15 be retained in the big sky economic development fund.

16 ~~(6)(5)~~ Any amount in the coal severance tax bond fund in excess of the amount that is specified in
17 subsection (2)(a) to be retained in the fund and that is not otherwise allocated under this section must be
18 deposited in the coal severance tax permanent fund."

19

20 **Section 2.** Section 17-5-704, MCA, is amended to read:

21 "**17-5-704. Investment of funds.** Money in the coal severance tax bond fund, the coal severance tax
22 permanent fund, and the coal severance tax income fund, ~~and the coal severance tax school bond contingency~~
23 ~~loan fund~~ must be invested in accordance with the investment standards for coal severance tax funds. Income
24 and earnings, excluding unrealized gains and losses, from all funds must be deposited in the state general fund."

25

26 NEW SECTION. **Section 3. Repealer.** Sections 20-9-466 and 20-9-467, MCA, are repealed.

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28 NEW SECTION. **Section 4. Effective date.** [This act] is effective on passage and approval.

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